

Introduced by Senator Alquist

February 9, 2006

An act to amend Sections 87207 and 87500 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 1265, as introduced, Alquist. Political Reform Act of 1974: disclosure of income: online filing.

(1) Existing provisions of the Political Reform Act of 1974 require public officials and designated employees of public agencies to file annually a written statement of the economic interests they possess during specified periods. Existing law requires that when the filer's pro rata share of income to a business entity is required to be reported, the statement contain the name of every person from whom the business received payments if the filer's pro rata share of gross receipts from that person was \$10,000 or more during a calendar year.

The bill would require these filers to specify receipts from those persons in increments of \$10,000 to \$50,000; more than \$50,000 to \$100,000; more than \$100,000 to \$250,000; more than \$250,000 to \$500,000; more than \$500,000 to \$1,000,000; and more than \$1,000,000.

(2) Existing law requires candidates, officeholders, and other persons designated in the conflict of interest code of a public agency to file statements of economic interests at various locations depending on the office sought or held or the agency for which the person is filing.

This bill would additionally, commencing after June 30, 2007, require these parties to file their statements of economic interests online or electronically, according to procedures specified in regulations to be adopted by the Secretary of State.

(3) Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

This bill would impose a state-mandated local program by imposing these criminal penalties on persons who violate the provisions of the bill.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(5) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a 2/3 vote of each house and compliance with specified procedural requirements.

This bill, which would declare that it furthers the purposes of the act, would therefore require a 2/3 vote.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 87207 of the Government Code is
2 amended to read:

3 87207. (a) When income is required to be reported under this
4 article, the statement shall contain, except as provided in
5 subdivision (b):

6 (1) The name and address of each source of income
7 aggregating five hundred dollars (\$500) or more in value, or fifty
8 dollars (\$50) or more in value if the income was a gift, and a
9 general description of the business activity, if any, of each
10 source.

11 (2) A statement whether the aggregate value of income from
12 each source, or in the case of a loan, the highest amount owed to
13 each source, was at least five hundred dollars (\$500) but did not
14 exceed one thousand dollars (\$1,000), whether it was in excess of
15 one thousand dollars (\$1,000) but was not greater than ten
16 thousand dollars (\$10,000), whether it was greater than ten
17 thousand dollars (\$10,000) but not greater than one hundred

1 thousand dollars (\$100,000), or whether it was greater than one
2 hundred thousand dollars (\$100,000).

3 (3) A description of the consideration, if any, for which the
4 income was received.

5 (4) In the case of a gift, the amount and the date on which the
6 gift was received.

7 (5) In the case of a loan, the annual interest rate, the security,
8 if any, given for the loan, and the term of the loan.

9 (b) When the filer's pro rata share of income to a business
10 entity, including income to a sole proprietorship, is required to be
11 reported under this article, the statement shall contain:

12 (1) The name, address, and a general description of the
13 business activity of the business entity.

14 (2) The name of every person from whom the business entity
15 received payments ~~if of which the filer's pro rata share of gross~~
16 ~~receipts from that person was equal to or greater than ten~~
17 ~~thousand dollars (\$10,000) during a calendar year: was at least~~
18 *ten thousand dollars (\$10,000) but not more than fifty thousand*
19 *dollars (\$50,000), was more than fifty thousand dollars*
20 *(\$50,000) but not more than one hundred thousand dollars*
21 *(\$100,000), was more than one hundred thousand dollars*
22 *(\$100,000) but not more than two hundred fifty thousand dollars*
23 *(\$250,000), was more than two hundred fifty thousand dollars*
24 *(\$250,000) but not more than five hundred thousand dollars*
25 *(\$500,000), was more than five hundred thousand dollars*
26 *(\$500,000) but not more than one million dollars (\$1,000,000),*
27 *or was more than one million dollars (\$1,000,000).*

28 (c) When a payment, including an advance or reimbursement,
29 for travel is required to be reported pursuant to this section, it
30 may be reported on a separate travel reimbursement schedule
31 which shall be included in the filer's statement of economic
32 interest. A filer who chooses not to use the travel schedule shall
33 disclose payments for travel as a gift, unless it is clear from all
34 surrounding circumstances that the services provided were equal
35 to or greater in value than the payments for the travel, in which
36 case the travel may be reported as income.

37 SEC. 2. Section 87500 of the Government Code is amended
38 to read:

39 87500. Statements of economic interests required by this
40 chapter shall be filed as follows:

1 (a) Statewide elected officer—one original with the agency
2 which shall make and retain a copy and forward a copy to the
3 Secretary of State and the original to the commission, which shall
4 retain the original and send one copy to the Registrar-Recorder of
5 Los Angeles County and one copy to the Clerk of the City and
6 County of San Francisco. The commission shall be the filing
7 officer.

8 (b) Candidates for statewide elective office—one original and
9 one copy with the person with whom the candidate's declaration
10 of candidacy is filed, who shall forward the copy to the Secretary
11 of State and the original to the commission which shall retain the
12 original and send one copy to the Registrar-Recorder of Los
13 Angeles County and one copy to the Clerk of the City and
14 County of San Francisco. The commission shall be the filing
15 officer.

16 (c) Members of the Legislature and Board of Equalization—one
17 original with the agency which shall make and retain a copy and
18 forward a copy to the Secretary of State and the original to the
19 commission, which shall retain the original and send one copy to
20 the clerk of the county which contains the largest percentage of
21 registered voters in the election district which the officeholder
22 represents, and one copy to the clerk of the county in which the
23 officeholder resides. No more than one copy of each statement
24 need be filed with the clerk of any one county. The commission
25 shall be the filing officer.

26 (d) Candidates for the Legislature or the Board of
27 Equalization—one original and one copy with the person with
28 whom the candidate's declaration of candidacy is filed, who shall
29 forward the copy to the Secretary of State and the original to the
30 commission which shall retain the original and send one copy to
31 the clerk of the county which contains the largest percentage of
32 registered voters in the election district in which the candidate
33 seeks nomination or election, and one copy to the clerk of the
34 county in which the candidate resides. No more than one copy of
35 each statement need be filed with the clerk of any one county.
36 The commission shall be the filing officer.

37 (e) Persons holding the office of chief administrative officer
38 and candidates for and persons holding the office of district
39 attorney, county counsel, county treasurer, and member of the
40 board of supervisors—one original with the county clerk who shall

1 make and retain a copy and forward the original to the
2 commission which shall be the filing officer.

3 (f) Persons holding the office of city manager or, if there is no
4 city manager, the chief administrative officer, and candidates for
5 and persons holding the office of city council member, city
6 treasurer, city attorney, and mayor—one original with the city
7 clerk who shall make and retain a copy and forward the original
8 to the commission which shall be the filing officer.

9 (g) Members of the Public Utilities Commission, members of
10 the State Energy Resources Conservation and Development
11 Commission, planning commissioners, and members of the
12 California Coastal Commission—one original with the agency
13 which shall make and retain a copy and forward the original to
14 the commission which shall be the filing officer.

15 (h) Members of the Fair Political Practices Commission—one
16 original with the commission which shall make and retain a copy
17 and forward the original to the office of the Attorney General
18 which shall be the filing officer.

19 (i) Judges and court commissioners—one original with the clerk
20 of the court who shall make and retain a copy and forward the
21 original to the commission which shall be the filing officer.
22 Original statements of candidates for the office of judge shall be
23 filed with the person with whom the candidate's declaration of
24 candidacy is filed, who shall retain a copy and forward the
25 original to the commission, which shall be the filing officer.

26 (j) Except as provided for in subdivision (k), heads of
27 agencies, members of boards or commissions not under a
28 department of state government or members of boards or
29 commissions not under the jurisdiction of a local legislative
30 body—one original with the agency, which shall make and retain
31 a copy and forward the original to the code reviewing body
32 which shall be the filing officer. In its discretion, the code
33 reviewing body may provide that the original be filed directly
34 with the code reviewing body and that no copy be retained by the
35 agency.

36 (k) Heads of local government agencies and members of local
37 government boards or commissions, for which the Fair Political
38 Practices Commission is the code reviewing body, one original to
39 the agency or board or commission which shall be the filing
40 officer, unless at its discretion the Fair Political Practices

1 Commission elects to act as the filing officer. In this instance, the
2 original shall be filed with the agency, board, or commission,
3 which shall make and retain a copy and forward the original to
4 the Fair Political Practices Commission.

5 (l) Designated employees of the Legislature—one original with
6 the house of the Legislature by which the designated employee is
7 employed. In its discretion, each house of the Legislature may
8 provide that the originals of statements filed by its designated
9 employees be filed directly with the commission, and that no
10 copies be retained by that house.

11 (m) Designated employees under contract to more than one
12 joint powers insurance agency and who elect to file a
13 multiagency statement pursuant to Section 87350, the original of
14 the statement with the commission which shall be the filing
15 officer, and a statement with each agency with which they are
16 under contract, declaring that their statement of economic
17 interests is on file with the commission and available upon
18 request.

19 (n) Members of a state licensing or regulatory board, bureau,
20 or commission—one original with the agency, which shall make
21 and retain a copy and forward the original to the commission,
22 which shall be the filing officer.

23 (o) Persons not mentioned above—one original with the agency
24 or with the code reviewing body, as provided by the code
25 reviewing body in the agency's conflict of interest code.

26 (p) (1) *After June 30, 2007, in addition to the above, all*
27 *persons required by this chapter to file statements of economic*
28 *interests shall file those statements online or electronically as*
29 *specified in the regulations adopted by the Secretary of State*
30 *pursuant to paragraph (2).*

31 (2) *The Secretary of State, in consultation with the*
32 *commission, shall, by July 1, 2007, develop free online and*
33 *electronic filing processes for use by persons specified in this*
34 *section who are required to file statements of economic interests*
35 *by this chapter. Those processes shall be designed to enable a*
36 *user to disclose economic interests as required by this chapter*
37 *without technical training or support, and shall provide for*
38 *public access to that information by interested parties. The*
39 *Secretary of State shall adopt regulations that specify the means*
40 *by which persons required by this subdivision to file online or*

1 *electronically shall so file, and that provide guidance for using*
2 *and accessing the online or electronic filing processes, consistent*
3 *with other provisions of this title and in furtherance of its*
4 *purposes.*

5 SEC. 3. No reimbursement is required by this act pursuant to
6 Section 6 of Article XIII B of the California Constitution because
7 the only costs that may be incurred by a local agency or school
8 district will be incurred because this act creates a new crime or
9 infraction, eliminates a crime or infraction, or changes the
10 penalty for a crime or infraction, within the meaning of Section
11 17556 of the Government Code, or changes the definition of a
12 crime within the meaning of Section 6 of Article XIII B of the
13 California Constitution.

14 SEC. 4. The Legislature finds and declares that the provisions
15 of this act further the purposes of the Political Reform Act of
16 1974 within the meaning of subdivision (a) of Section 81012 of
17 the Government Code.